

EMPLOYEE INCENTIVE SCHOLARSHIP PROGRAM (EISP) PROCEDURES

- 1. REASON FOR ISSUE:** This Veterans Health Administration (VHA) Handbook provides specific direction, guidance and procedures related to the operation of the Employee Incentive Scholarship Program (EISP) at Department of Veterans Affairs (VA) health care facilities. The purpose of the EISP is to assist VHA in meeting its needs for qualified health care staff in occupations for which recruitment or retention is difficult.
- 2. SUMMARY OF CONTENTS:** This Handbook provides comprehensive information about the EISP. It specifies program responsibilities at the employee, facility, Veterans Integrated Service Network (VISN) and VHA Central Office levels. It describes other important information, such as the eligibility requirements for VA employees to receive educational assistance under EISP, the application and selection processes for employees, and the funding allocation processes for facilities and VISNs. This handbook includes changes required by Public Law 107-135, the Department of Veterans Health Care Programs Enhancement Act of 2001.
- 3. RELATED DOCUMENTS:** VHA Directive 1020, and VHA Handbook 1020.2.
- 4. RESPONSIBLE OFFICE:** The Health Care Staff Development and Retention Office (HCSDRO/10A2D) is responsible for the contents of this Handbook. Inquiries should be directed to (504) 589-5267.
- 5. RESCISSIONS:** VHA Handbook 1020.1, dated March 24, 2000, is rescinded.
- 6. RECERTIFICATION:** This document is scheduled for recertification on or before the last working day of May 2007.

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Under Secretary for Health

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EMPLOYEE INCENTIVE SCHOLARSHIP PROGRAM (EISP) PROCEDURES

1. PURPOSE

The Employee Incentive Scholarship Program (EISP) helps the Veterans Health Administration (VHA) meet its needs for qualified health care staff in occupations for which recruitment or retention is difficult. This Handbook provides specific direction and guidance for administration of EISP at VHA field facilities.

2. AUTHORITY

The Department of Veterans Affairs (VA) EISP was established by Title VIII of Public Law 105-368, Department of Veterans Affairs Health Care Personnel Incentive Act of 1998, and codified at sections 7671-7675 of Title 38, United States Code (U.S.C.), and amended by Public Law 107-135, Department of Veterans Affairs Health Care Programs Act of 2001. Under this authority, VA may award scholarships to employees pursuing degrees or training in health care disciplines for which recruitment and retention of qualified personnel is difficult, and also to pay their reasonable expenses, such as registration, fees, books, materials and supplies. Though the scope of the authority contained in EISP is substantial, it does have limitations. The details of this authority are described and exemplified in other paragraphs of this document.

3. BACKGROUND

Over the years, VA has experienced many difficulties in competing with private sector organizations for scarce health care staff. Some of these difficulties affect the system at large while the impact from others is at regional or community levels. More recently, VA's health care system has undertaken the most significant transformation in its history--the transition from a hospital, bed-based system to an ambulatory care-based system with primary care as the focus of patient treatment in both outpatient and inpatient settings. The success of this transition depends, in part, on achieving an appropriate mix of health care staff. Educational assistance, such as that afforded under EISP, is an excellent recruitment and retention tool that can help VA achieve this goal.

4. RESPONSIBILITY

a. **Health Care Staff Development and Retention Office (HCS德罗) Responsibility.** The Director, HCS德罗, is responsible for national implementation and management of EISP. This includes:

- (1) Publishing and maintaining directives, handbooks, and supporting documentation.
- (2) Allocating funds to facilities and Veterans Integrated Service Networks (VISNs).
- (3) Executing official EISP contracts for participants.
- (4) Monitoring facility and VISN compliance with applicable directives.

(5) Evaluating program progress and effectiveness to be used in the preparation of annual reports for the Under Secretary for Health.

(6) Providing program guidance to local facilities and VISNs.

(7) Exploring the potential for enhancing the flexibility to provide innovative educational assistance to VA's health professionals.

b. **Facility Responsibility**

(1) **Facility Director.** The facility Director is responsible for local-level EISP implementation and management consistent with VA and VHA directives, and for ensuring that local policies and procedures related to this Handbook are developed and implemented with predecisional involvement of Labor-Management Partnerships. More specific facility Director responsibility includes:

(a) Establishing a Selection Committee and identifying a Program Coordinator.

(b) Publishing an open continuous announcement about educational assistance opportunities under EISP.

(c) Reviewing and approving Selection Committee applicant recommendations.

(d) Approving Facility Funding Requests and forwarding them to HCSDRO.

(e) Notifying candidates who have been approved for funding after HCSDRO allocates funds to the requesting facility.

(f) Identifying accessible, reasonably priced education and training programs (e.g., distance learning) to meet local requirements.

(g) Invoking authority as deemed appropriate under 38 U.S.C. 7405 to authorize replacement salary in limited cases where an employee is unavailable to perform critical duties while pursuing education or training under EISP. In such cases, replacement salary may be used to help prevent disruption of critical health care services.

(2) **Selection Committee.** The Selection Committee has responsibility for:

(a) Defining and publishing local selection criteria.

(b) Reviewing and evaluating applications.

(c) Making preliminary selections of applicants.

(d) Prioritizing and recommending preliminary applicant selections to the facility Director (based on priority levels defined in this Handbook and on the individual facility's staffing needs).

- (e) Preparing Facility Funding Requests for approval by the facility Director.
- (3) **Program Coordinator.** The Program Coordinator is responsible for:
 - (a) Implementing EISP locally.
 - (b) Maintaining and providing EISP application packages.
 - (c) Ensuring educational programs under consideration by applicants meet required standards.
 - (d) Providing assistance and guidance to employees during the application process.
 - (e) Reviewing applications for submission to the Selection Committee.
 - (f) Compiling relevant funding information from applicants for the Selection Committee to prepare the Facility Funding Request.
 - (g) Processing official program contracts and forwarding them to HCS DRO for signature.
 - (h) Monitoring student progress.
 - (i) Reporting student progress to HCS DRO.
 - (j) Coordinating with other appropriate services such as Human Resources Management and Financial Management.
- (4) **Applicant or Participant.** The responsibility of the applicant or participant includes:
 - (a) Completing an EISP application.
 - (b) Submitting the completed application to the Program Coordinator.
 - (c) Signing a contract if recommended for a scholarship award.
 - (d) Reporting educational progress to the Program Coordinator.
 - (e) Informing the Program Coordinator of any change in educational status impacting the terms of the contract.
 - (f) Ensuring that EISP Program Officials have access to educational or training institution official transcripts and other information and documents required to assess the academic standing, status and progress of the scholarship recipient.
 - (g) Satisfying all contract requirements (i.e., service obligation, liability, etc.).

(5) **Human Resources Management Service.** Human Resources Management Service must maintain a copy of the executed contract in the employee's official personnel folder.

(6) **Financial Management Service.** Financial Management Service must maintain a copy of the executed contract in the appropriate file and must ensure that award payments made to facility participants do not exceed the lesser of either the funding authorized by HCSDRO or the amounts participants actually paid for the authorized education. Receipts and other appropriate documentation are to be used to validate the amount of funds disbursed to each participant.

5. FUNDING

a. Funding for the EISP initiative is centralized. HCSDRO is responsible for managing the funding process consistent with available funds, overall VHA goals, and identified health care staffing needs. Scholarships are awarded based on the availability of funds and Department need. An employee approved for an EISP award may receive funds to cover the full or partial cost of tuition and related educational expenses. Scholarship awards are prioritized to allow as many employees as possible to obtain education or training in specified health care disciplines for which recruitment or retention is difficult. HCSDRO provides real-time staffing data and related information, as well as program consultation to VISN and facility Directors, in an effort to help them assess the value and appropriateness of using EISP to address local staffing needs.

b. VISNs and facilities are to submit funding requests to HCSDRO identifying health care staffing needs that can be appropriately met through the use of EISP. Typically, funding requests originate at the health care facility level. However, VISNs are to submit funding requests when they plan to coordinate, as well as support the infrastructure for innovative, accessible and cost-effective education, or for training programs that are consistent with VISN strategic staffing goals and impact several facilities. Under such circumstances, each VISN must review and coordinate the submissions from the facilities under its jurisdiction. The requirements identified in the EISP funding request must be based on current or anticipated difficulties in filling health care positions, or changes in VA standards, or policies, related to the education or training of health care staff. For example, the latter allows an employee to pursue education to obtain a degree consistent with changes in a qualification standard. However, it does not cover a training course specifically designed to help employees pass a licensure or certification exam.

c. Health care facility and VISN funding requests must be submitted to HCSDRO annually, by April 30th via e-mail. **NOTE:** *Appendix C contains instructions for completing VA Form 10-0003K-1, EISP Funding Request.* Requests outside of the annual cycle are reviewed on a case-by-case basis contingent on the availability of funds.

d. Local and national staffing issues must be considered in making effective EISP funding decisions. Factors affecting funding include, but are not limited to:

(1) VISN and/or Facility Issues

(a) VISN and/or facility health care staffing needs (current and anticipated) by priority.

(b) Workload.

- (c) Length of time it takes to fill vacant positions.
- (d) Current and projected staffing levels.
- (e) Turnover.
- (f) Nature and extent of VISN and/or facility recruitment efforts.
- (g) Academic levels and interest of eligible employees.

(2) **National Issues**

- (a) Current and anticipated national VA occupational shortages.
- (b) Health care industry staffing trends.
- (c) VA workforce demographics.
- (d) Top management direction (e.g., program and mission changes).
- (e) Significant changes in standards and requirements affecting employment.

NOTE: *HCSDRO will periodically review and refine funding criteria consistent with local and VISN needs and overall VHA goals.*

6. PROGRAM ACCOUNTABILITY

EISP requires significant accountability on the part of each student and the organization, which is as follows:

a. **Student.** Student accountability includes:

- (1) Submitting an application in a timely manner,
- (2) Signing a program contract,
- (3) Maintaining an acceptable level of academic standing as determined by the educational institution in which the employee is enrolled, and
- (4) Completing a specified period of obligated service in VHA (see App. A).

b. **Facilities and VISNs.** Facilities and VISNs are accountable for the following:

- (1) Establishing a Selection Committee,
- (2) Identifying a Program Coordinator,

- (3) Publishing an open continuous announcement,
- (4) Implementing a selection process,
- (5) Processing official program contracts and forwarding them to HCSDRO for signature.
- (6) Providing guidance and support to students, and
- (7) Monitoring progress of EISP participants (see App. A).

c. **HCSDRO**. HCSDRO is responsible for:

- (1) Funding as many students as possible within available EISP resources,
- (2) Providing technical guidance to staff in VISN offices and field facilities,
- (3) Executing official program contracts, and
- (4) Monitoring employee participation in EISP.

7. ACADEMIC CURRICULA

Academic curricula covered under this initiative include education and training programs in a field leading to appointment or retention in a Title 38 or Hybrid Title 38 position listed in 38 U.S.C., Section 7401. Education and training provided under EISP must meet applicable requirements specified in the VA qualification standards that cover the occupation in which the scholarship recipient will be appointed or retained.

8. PROGRAM LENGTH

The maximum number of school years for which a scholarship may be paid to a participant of EISP is 6 school years. A participant may not receive a scholarship for more than the equivalent of 3 years of full-time coursework. Full-time coursework is defined in paragraph 9b.

9. ALLOWABLE SCHOLARSHIP EXPENSES

a. A scholarship award under the EISP covers the cost of tuition and related educational expenses (e.g., registration, fees, books, materials and supplies).

b. A scholarship is a monetary award that covers the cost of a student's tuition and related educational expenses (e.g., registration, fees, books, materials, and supplies). In addition to the restriction on the amount of time to complete an EISP-sponsored academic program, there are limitations on the amounts of coursework and funding that may be authorized for an EISP participant. The maximum amount of education that an employee may be authorized to pursue under EISP is the equivalent of 3 years of full-time coursework. The maximum EISP award amount that may be authorized for the maximum amount of coursework is \$31,080. The maximum number of credit hours of coursework that an employee may be authorized to pursue under EISP sponsorship is 90 semester hours at the undergraduate level and 54 semester hours at

the graduate level. The maximum amount of funding that may be authorized for each semester hour of coursework in an EISP participant's academic program is \$345.33 at the undergraduate level and \$575.56 at the graduate level. **NOTE:** *These amounts cover the cost of tuition, books and all other appropriate expenses.* Moreover, EISP payments made to participants may not exceed the lesser of either the funding authorized by HCSDRO or the amounts participants actually paid for their authorized education. An EISP participant's authorized academic plan may include coursework that can be accomplished in as little as one academic session or may involve several academic sessions over a period up to a maximum of 6 years. To the extent that an EISP award does not exceed any of the limitations on the amounts of coursework and funding cited in the preceding, there are no restrictions on the amounts of education and funding that may be authorized for an EISP student in a specific academic year. The maximum scholarship amount will be adjusted in direct proportion to the periodic general Federal pay increases beginning in calendar year 2002.

c. The maximum scholarship amount that can be paid to a part-time student may be calculated by following the two-step process described as follows:

(1) Divide the total number of authorized credit hours of coursework in the part-time student's academic program by the number of credit hours for 3 years equivalent coursework (undergraduate or graduate) in a full-time academic program. **NOTE:** *For coursework that is credited in semester hours the denominator will be 90 for undergraduate study and 54 for graduate study.*

(2) Multiply the maximum scholarship amount that is authorized for a full-time student (see subpar. 9b) by the proportion obtained in subparagraph 9c(1).

d. The maximum scholarship award amount will be increased in direct proportion to each Federal pay increase for those awards that are obligated in the same fiscal year that such an increase in pay takes effect. **NOTE:** *The general Federal pay increase does not include locality pay.*

10. ELIGIBILITY

An employee must meet specific eligibility requirements to participate in EISP. To be eligible for participation, each employee:

- a. Must have been continuously employed with the Department for not less than 1 year..
- b. Must have met the 1-year requirement for employment as of the date on which the employee submits an official application for an EISP award;
- c. Must have been accepted to, or enrolled in, an authorized education or training program as of the date the official application for an EISP award is submitted by the employee;
- d. Must agree to incur a contractual service obligation as specified in paragraph 12;
- e. Must not be obligated under any other Federal program to perform service after completion of the course of education or training; and

f. Must have a record of employment that demonstrates a high likelihood that the employee will be successful in completing the education and training, and in employment in such field.

11. ELIGIBILITY EXCLUSION

An employee is not eligible to apply to participate in EISP if the employee is obligated under any other Federal program to perform service after completion of the course of education or training.

12. SERVICE OBLIGATION

a. All EISP participants, whether full-time or part-time employees, are required to serve in a full-time VHA position for a period of obligated service. The date for the beginning of a participant's obligated service is the later of the participant's course completion date, or when the participant meets any applicable licensure, certification, or registration requirement. The amount of obligated service depends on two factors: the employee's status as a student, (i.e., full-time or part-time), and the total amount of education or training covered under EISP.

b. The participant who is a full-time student must agree to serve as a full-time VHA employee for a period of 1 calendar year for each school year or part thereof, for which the participant was provided a scholarship under the EISP, but for not less than 3 years. Service obligation examples for a full-time student include:

(1) A full-time student who completes a portion of an academic year (e.g., 1 semester) incurs a service obligation of 3 years.

(2) A full-time student who completes 1 academic year of education or training incurs a service obligation of 3 years.

(3) A full-time student who completes 2 academic years of education or training incurs a service obligation of 3 years.

(4) A full-time student who completes 3 academic years of education or training incurs a service obligation of 3 years.

c. The obligated service for a part-time student is pro-rated. It is based on the proportion of the number of credit hours carried by the student in any school year to the number of credit hours required to be carried by a full-time student as defined in this handbook. However, in no event will the requirement for obligated service for a part-time student under the EISP be less than 1 year or greater than 3 years of full-time employment. For example:

(1) **Part-time Student.** One-Quarter Time

(a) A student whose academic curriculum amounts to one-quarter of a full-time student's workload and completes the requirements for a degree within 1 academic year incurs a service obligation of 1 year.

(b) A student whose academic curriculum amounts to one-quarter of a full-time student's workload and completes the requirements for a degree over the course of 3 academic years incurs a service obligation of 1 year.

(c) A student whose academic curriculum amounts to one-quarter of a full-time student's workload and completes the requirements for a degree over the course of 6 academic years incurs a service obligation of 1 and 1/2 years.

(2) Part-time Student. One-Half Time

(a) A student whose academic curriculum amounts to one-half of a full-time student's workload and completes the requirements for a degree within 1 academic year incurs a service obligation of 1 year.

(b) A student whose academic curriculum amounts to one-half of a full-time student's workload and completes the requirements for a degree over the course of 3 academic years incurs a service obligation of 1 and 1/2 years.

(c) A student whose academic curriculum amounts to one-half of a full-time student's workload and completes the requirements for a degree over the course of 6 academic years incurs a service obligation of 3 years.

(3) Part-time Student. Three-Quarters' Time

(a) A student whose academic curriculum amounts to three-quarters of a full-time student's workload and completes the requirements for a degree within 1 academic year incurs a service obligation of 1 year.

(b) A student whose academic curriculum amounts to three-quarters of a full-time student's workload and completes the requirements for a degree over the course of 3 academic years incurs a service obligation of 2 and 1/4 years.

(c) A student whose academic curriculum amounts to three-quarters of a full-time student's workload and completes the requirements for a degree over the course of 4 academic years incurs a service obligation of 3 years.

d. Time spent in a non-pay status that occurs during a period of obligated service under the EISP does not count toward the completion of a participant's service obligation. The period of obligated service will be extended by paid service that offsets the non-pay time. The Under Secretary for Health, or designee, may waive this requirement if the time in non-pay status amounts to less than 8 hours, and such action is considered in VA's best interest.

NOTE: *A full-time student in the program may not receive an award for more than 3 years of full-time education. With approval of the Under Secretary for Health, or designee, a part-time student in EISP may receive a scholarship award for up to a maximum of 6 years. The total part-time education must not exceed the equivalent of 3 years of full-time education.*

13. SERVICE COMMENCEMENT DATE

a. The service commencement date is the date on which a participant in EISP begins the participant's period of obligated service.

b. The service commencement date varies depending on the type of education or training received by the EISP participant.

(1) In the case of a participant receiving a degree from a school of medicine, osteopathy, dentistry, optometry or podiatry, the participant's service commencement date is the date upon which the participant becomes licensed to practice medicine, osteopathy, dentistry, optometry or podiatry, as the case may be, in a State, Territory, Commonwealth of the United States (i.e., Puerto Rico), or in the District of Columbia.

(2) In the case of a participant receiving a degree from a school of nursing, the participant's service commencement date is the later of the:

(a) Participant's course completion date, or

(b) Date upon which the participant becomes licensed as a registered nurse in a State, Territory, Commonwealth of the United States (i.e., Puerto Rico), or in the District of Columbia.

(3) In the case of a participant not covered by subparagraph 13b(1) or 13b(2), the participant's service commencement date is the later of the:

(a) Participant's course completion date, or

(b) Date upon which the participant meets any applicable licensure or certification requirement.

c. The Under Secretary for Health, or designee, must notify the participant of the service commencement date within 60 days of that date.

d. As soon as possible after a participant's service commencement date, the Under Secretary for Health, or designee, in the case of a participant who is:

(1) Not a full-time employee in VHA, must appoint the participant as such an employee.

(2) An employee in VHA, but is not serving in a position for which the participant's course of education or training prepared the participant, must assign the participant to such a position.

14. PROGRAM ANNOUNCEMENT

a. Opportunities for employees to compete for scholarship awards under EISP needs to be prominently displayed at each facility through an open continuous announcement. At a minimum, this announcement needs to include the following program information:

- (1) The specific type of educational opportunities that are offered by the facility;
 - (2) The eligibility requirements for participation in EISP;
 - (3) The selection criteria;
 - (4) The application process;
 - (5) The name, routing symbol, and telephone number of the local Program Coordinator; and
 - (6) A statement emphasizing that the final decision on the award of a scholarship is contingent on the availability of EISP funds since the overall program funding process is centralized.
- b. It is imperative that the educational opportunities, identified in the local program announcement:
- (1) Are directly related to occupations for which the facility or VISN has identified current or anticipated health care staffing needs.
 - (2) Are consistent with national program direction.
 - (3) Reflect the facility's or VISN's commitment to meet these staffing needs through the use of the EISP.

15. APPLICATION PROCESS

Employees who are interested and eligible to participate in EISP are encouraged to apply for specific educational and training opportunities that are announced at the local level. Each candidate must complete an official EISP application and submit it to the local Program Coordinator. **NOTE:** *Appendix B contains instructions and an imbedded copy of VA Form 10-0003K, EISP Application for Employees Enrolled in or Formally Accepted to an Education or Training Program. This form can also be found on the VHA Forms Intranet at <http://vaww.va.gov/forms/medical/searchlist.asp>*

16. SELECTION PROCESS

Selections for participation in EISP are made at the local level. Facility Directors must:

- a. Ensure that candidates selected to receive EISP awards have demonstrated a high likelihood that they will be successful in completing their education and training, and in employment in such field.
- b. Identify appropriate, specific selection criteria consistent with these requirements, and EISP education and training priorities.
- c. Ensure that selections are based on merit without regard to race, creed, color, national origin, sex, age, or disability.

17. PROGRAM CONTRACT

A decision to award a scholarship under EISP cannot be finalized until an official contract is first signed by the employee and then accepted and signed by the Under Secretary for Health, or designee. **NOTE:** *Appendix E contains an imbedded copy of VA Form 10-0003K-2, EISP Scholarship Program. Contract. This form can also be found on the VHA Forms Intranet at <http://vawww.va.gov/forms/medical/searchlist.asp>.*

18. PARTICIPANT LIABILITY

a. **Liquidated Damages.** A participant in EISP, other than a participant described under subparagraph 18b, who fails to accept payment, or instructs the educational institution in which the participant is enrolled not to accept payment, in whole or in part, of a scholarship award under the EISP agreement is liable to the United States for liquidated damages in the amount of \$1,500. Such liability is in addition to any period of obligated service or other obligation or liability under the agreement.

b. **Liability During Course of Education or Training.** Except as provided in subparagraph 18d, a participant in EISP is liable to the United States for the amount which has been paid to, or on behalf of the participant, under the agreement, if the participant:

- (1) Fails to maintain an acceptable level of academic standing in the educational institution in which the participant is enrolled.
- (2) Is dismissed from the educational institution for disciplinary reasons.
- (3) Voluntarily terminates the course of education or training in such institution before completing the education or training.
- (4) Fails to meet any applicable licensure, certification and/or registration requirements for VA employment in the occupation for which the education was provided.
- (5) As a part-time student, fails to maintain employment while enrolled in the course of education or training being pursued by the participant as a VA employee.

NOTE: *Liability under this subsection is in lieu of any service obligation arising under a participant's agreement.*

c. **Liability During Period of Obligated Service.** Except as provided in subparagraph 18d, if a participant in EISP breaches the agreement by failing for any reason to complete the period of obligated service incurred under the agreement, the United States is entitled to recover an amount equal to the amounts of all award funds paid to the participant, plus interest, multiplied times three, and prorated for months of service completed under the obligation.

d. **Limitation on Liability for Reductions-In-Force.** Liability does not arise in the case of a participant who is separated due to a staffing adjustment and meets either of the following conditions:

- (1) The participant has not completed the period of obligated service.
 - (2) The participant is a part-time student who fails to maintain VA employment while enrolled in the course of education or training that the participant is pursuing.
- e. **Period of Payment for Damages.** Any amount of damages which the United States is entitled to recover, under information provided in this paragraph, must be paid to the United States within the 1-year period beginning on the date of the breach of the agreement.

19. WAIVER PROVISIONS

- a. Any service or payment obligation incurred by a participant under this contract will be cancelled upon the participant's death.
- b. A participant may seek a waiver or suspension of the service or payment obligation incurred under this program by written request to the Under Secretary for Health setting forth the basis, circumstances, and causes which support the requested action. The Under Secretary for Health may approve an initial request for a suspension for a period of up to 1 year. **NOTE:** *A renewal of this suspension may be granted.*
- c. The Under Secretary for Health may waive or suspend any service or payment obligation incurred by a participant whenever compliance by the participant is impossible, due to circumstances beyond the control of the participant, or whenever the Under Secretary for Health concludes that a waiver or suspension of compliance is in the VA's best interest.
- d. Compliance by a participant with a service or payment obligation will be considered impossible due to circumstances beyond control of the participant if the Under Secretary for Health determines, on the basis of such information and documentation as may be required, that the participant suffers from a physical or mental disability resulting in permanent inability to perform the service or other activities which would be necessary to comply with the obligation.
- e. Waivers or suspensions of payment obligations, when not related to subparagraph 18d and when considered in the best interest of VA, are determined, on an individual basis, by the Under Secretary for Health.
- f. Time spent in a non-pay status that occurs during a period of obligated service under EISP does not count toward the completion of a participant's service obligation. The period of obligated service will be extended by paid service that offsets the non-pay time. The Under Secretary for Health, or designee, may waive this requirement if the time in non-pay status amounts to less than 8 hours and such action is considered in the best interest of VA.

NOTE: *Reference MP-4, Part 1, Chapter 8, Paragraph 8A.18, for the jurisdiction of the Committee on Waivers and Compromises in the settlement of breached training contracts and procedures to request a waiver of overpayment.*

20. REPLACEMENT ASSISTANCE

a. When an employee is unavailable to perform critical duties while pursuing education or training under EISP, replacement salary may be used to help prevent disruption to health care operations. Replacement salary covers the cost of hiring a new staff member (typically on a temporary basis) to assume the duties and responsibilities of an employee who is pursuing full-time education or training. It is additional funding that is not included in the expenses allowed for a scholarship under EISP. Facility Directors are encouraged to invoke their authority, as deemed appropriate under 38 U.S.C. 7405, to authorize replacement salary in limited cases where an employee is unavailable to perform critical duties while pursuing education or training under EISP.

b. Centralized replacement salary support is limited and is only authorized in unusual circumstances. In no case will an individual facility receive replacement salary support in excess of \$50,000 in any one 12-month period. **NOTE:** *This does not preclude local facilities from totally funding the cost of replacement salary.* Decisions to authorize centralized replacement salary support is made on a case-by-case basis, after all appropriate requests for scholarships have been funded. These decisions are based on the following conditions:

(1) The employee selected to pursue education or training must be in a position that supports a critical VA mission.

(2) The employee must agree to pursue education or training on a full-time basis and complete all program requirements within 2 academic years.

(3) The facility must agree to pay at least 50 percent of the cost of the base salary of the employee for which a replacement is required.

(4) There must be a documented critical need that includes evidence of a current or anticipated shortage in the occupation for which the replacement salary is requested.

(b) Documentation for a current shortage needs to include information such as the:

1. Staffing levels and turnover rates;
2. Length of time to fill the particular position or the length of time that the position has been vacant;
3. Nature and extent of efforts to recruit candidates for the position including the use of paid advertising, attendance at recruitment forums and job fairs, and any assistance requested from and provided by the VA Placement Service; and
4. Use of special salary rates.

(c) An anticipated shortage is to be documented through a future needs assessment process. This process evaluates a variety of factors such as: projected losses in an occupation based on

retirement eligibility, planned shifts in workload for specific occupations, and employment trends at the national and local levels.

(d) To assist in documenting shortages, HCSDRO maintains a database that includes up-to-date health care staffing levels and turnover rates at the local, VISN, and national level.

21. REPORTING REQUIREMENTS

a. HCSDRO evaluates program effectiveness and prepares required reports to the Under Secretary for Health. These reports include the number of new and continuing EISP participants by type of academic program per year at the national, VISN and local facility levels, as well as other pertinent information necessary to assess the impact of the scholarship program on recruitment and retention. **NOTE:** *Refer to Appendix F.* Additionally, HCSDRO must prepare an annual report on VA's Educational Assistance Programs as required by 38 U.S.C. 7632.

b. Field facilities will provide initial enrollment and semi-annual update reports as required. These reports are to be filed electronically over the Intranet. **NOTE:** *Appendix G contains an imbedded copy of VA Form 10-0003K-3, Facility Semi-Annual Enrollee Progress Review Worksheet. This form is also on the VHA Forms Intranet at <http://vaww.va.gov/forms/medical/searchlist.asp>.*

22. DEFINITIONS

a. **Academic Year.** The 1-year period that begins on the date of the first day of classes for the fall session at the particular academic institution where an employee has been accepted for enrollment, or who is enrolled under EISP.

b. **Acceptable Level of Academic Standing.** The cumulative grade point average that an employee must maintain to fully meet the requirements to graduate with a degree or satisfactorily complete a training program at the academic institution in which the employee is enrolled as an EISP scholarship recipient. Academic dismissal at any point during the employee's pursuit of education or training under EISP constitutes failure to maintain an acceptable level of academic standing.

c. **Agreement.** A signed, legally binding contract between VA and an employee who participates in EISP. It specifies the obligations of the Department and the employee.

d. **Course Completion Date.** The date on which an EISP participant completes the course of education or training is the course completion date.

e. **Eligible Employee.** An employee must meet specific eligibility requirements to participate in EISP. To be eligible for participation, an employee must:

(1) Have been continuously employed with VA for not less than 1 year.

(2) Meet the 1-year requirement for continuous employment with VA as of the date on which the employee submits an application for the EISP.

(3) Be enrolled, or accepted for enrollment, as a full-time or part-time student in a specified field of education or training.

(4) Agree to incur a contractual obligation for service as specified in paragraph 12.

(5) Not be obligated under any other Federal program to perform service after completion of the course of education or training; and

(6) Have a record of employment that demonstrates a high likelihood that the participant will be successful in completing the education and training, and in employment in such field.

f. **Full-time Enrollment.** An employee is considered full-time:

(1) In the case of undergraduate work, if they are taking 30 semester hours per undergraduate school year.

(2) In the case of graduate coursework, if they are taking 18 semester hours per graduate school year.

g. **Interest.** The calculation for the amount of funds that the United States is entitled to recover from an EISP participant who fails to complete the period of obligated service includes interest. The rate of interest in these circumstances is equivalent to the rate on loans bearing interest at the maximum prevailing rate, as determined by the Treasurer of the United States, at the time the funds are paid by the participant who breaches the contract.

h. **Part-time Enrollment.** An employee is considered a part-time student if the employee meets the criteria for being a part-time student in the school in which enrolled. The proportion of part-time enrollment (e.g., quarter-time, half-time, etc.) is calculated by dividing the number of part-time credit hours by 30 for an undergraduate program and by 18 for a graduate program.

i. **Replacement Salary.** Replacement salary covers the cost of hiring a new staff member (typically on a temporary basis) to carry out the duties and responsibilities of an employee who is unavailable to perform them while pursuing full-time education or training. Replacement salary is additional funding that is not included in the expenses that are allowed for an EISP scholarship.

j. **Scholarship.** A scholarship is a monetary award that covers the cost of a student's tuition and related educational expenses (e.g., registration, fees, books, materials, and supplies). There are limitations on the amounts of coursework, funding and time to complete an academic program that may be authorized for an EISP participant. The maximum amount of education that an employee may be authorized to pursue under EISP is the equivalent of 3 years of full-time coursework. The maximum EISP award amount that may be authorized for the maximum amount of coursework is \$31,080. The maximum number of credit hours of coursework that an employee may be authorized to pursue under EISP sponsorship is 90 semester hours at the undergraduate level and 54 semester hours at the graduate level. The maximum amount of funding that may be authorized for each semester hour of coursework in an EISP participant's academic program is \$345.33 at the undergraduate level and \$575.56 at the graduate level.

NOTE: *These amounts cover the cost of tuition, books and all other appropriate expenses.*

Moreover, EISP payments made to participants may not exceed the lesser of either the funding authorized by HCSDRO or the amounts participants actually paid for their authorized education. An EISP participant's authorized academic plan may include coursework that can be accomplished in as little as one academic session or may involve several academic sessions over a period up to a maximum of 6 years. To the extent that an EISP award does not exceed any of the limitations on the amounts of coursework and funding cited in the preceding, there are no restrictions on the amounts of education and funding that may be authorized for an EISP student in a specific academic year. The maximum amount scholarship amount will be adjusted in direct proportion to the periodic general Federal pay increases beginning in calendar year 2002.

k. **Service Commencement Date.** The service commencement date is the date on which a participant in EISP begins the period of obligated service. The service commencement date varies depending on the type of education or training received by the EISP participant.

(1) In the case of a participant receiving a degree from a school of medicine, osteopathy, dentistry, optometry or podiatry, the participant's service commencement date is the date upon which the participant becomes licensed to practice medicine, osteopathy, dentistry, optometry or podiatry, as the case may be, in a State, Territory, Commonwealth of the United States (i.e., Puerto Rico), or in the District of Columbia.

(2) In the case of a participant receiving a degree from a school of nursing, the participant's service commencement date is the later of the:

(a) Participant's course completion date, or

(b) Date upon which the participant becomes licensed as a registered nurse in a State, Territory, Commonwealth of the United States (i.e., Puerto Rico) or in the District of Columbia.

(3) In the case of a participant not covered by subparagraphs 23k(1) or 23k(2), the participant's service commencement date is the later of the:

(a) Participant's course completion date, or

(b) Date upon which the participant meets any applicable licensure or certification requirement.

l. **Service Obligation.** Each recipient of an EISP scholarship award must agree to serve as a full-time employee in VHA for a period of obligated service in an assignment or location determined by the Under Secretary for Health, or designee.

23. REFERENCES

a. Title 38, United States Code, Section 512, Sections 7401-7402, Section 7421, Sections 7601-7604, Sections 7632-7636 and Sections 7671-7675.

b. VHA Directive 1020, Employee Incentive Scholarship Program.

EMPLOYEE INCENTIVE SCHOLARSHIP PROGRAM (EISP) ACCOUNTABILITY

The following grid details minimum requirements regarding program accountability:

Student Accountability	Organizational Accountability
Accurately complete Department of Veterans Affairs (VA) Form 10-0003K, EISP Application for Employees (see App B).	Establish a Selection Committee and identify a Program Coordinator.
Submit an application for an Employee Incentive Scholarship Program (EISP) award by March 31 st . Out of cycle requests will be considered.	Publish an open continuous announcement to promote EISP.
Sign the VA Form 10-0003K-2, Employee Incentive Scholarship Program Contract (see App. E).	Implement Selection Process: <ol style="list-style-type: none"> 1. Program Coordinator reviews each application. 2. Selection Committee submits recommendations to the facility Director. 3. Facility Director approves selections and submits the VA Form 10-0003K-1, Funding Request to Health Care Staff Development and Retention Office (HCSDRO) by April 30th (see App. D). Out of cycle requests will be considered.
Provide an accurate educational status to the EISP Program Coordinator within 10 working days following the completion of each academic period (i.e., semester, quarter, etc.). For example, submit transcript or other evidence of satisfactory course completion.	Forward VA Form 10-0003K-2, Employee Incentive Scholarship Program Contract (see App. E) that has been signed by the applicant to HCSDRO for formal acceptance and signature.
Maintain an acceptable level of academic standing as determined by the educational institution in which the employee is enrolled.	Provide Guidance and Support to EISP Participants: <ol style="list-style-type: none"> 1. Contribute to each student's written plan for a degree completion plan through first-level supervisory support and flexible working conditions. 2. Ensure that second-level review is available to explore options if the work assignment cannot support the proposed student experience.
Complete a contractual service obligation as a full-time Veterans Health Administration (VHA) employee as defined in Appendix E, Section C, paragraph 7.	Monitor Progress of EISP Participants: <ol style="list-style-type: none"> 1. Reconcile differences in student profiles contained in the Funding Request with profiles of actual students participating in the EISP. 2. Submit VA Form 10-0003K-3, Semi-Annual Student Progress Reviews to HCSDRO (see App. G) via Intranet 3. Monitor completion of service obligations.

VA FORM 10-0003K
EMPLOYEE INCENTIVE SCHOLARSHIP PROGRAM (EISP)
APPLICATION FOR EMPLOYEES ENROLLED IN OR FORMALLY
ACCEPTED TO AN EDUCATION OR TRAINING PROGRAM

An embedded copy of Department of Veterans Affairs (VA) Form 10-0003K follows. This form can also be found on the Veterans Health Administration (VHA) Forms Intranet at <http://vaww.va.gov/forms/medical/searchlist.asp>. This is to be used for local reproduction. Since this is a low use form, it will not be stocked by the Forms and Publications Depot.

One needs to use Adobe Acrobat 5.5 or later to view this form. To print this form, the printer must be set to “print as image” and “fit to page.”



10-0003K.pdf



EMPLOYEE INCENTIVE SCHOLARSHIP PROGRAM (EISP) APPLICATION

For Employees Enrolled in or Formally Accepted to an Education or Training Program

DIRECTIONS: Carefully read these directions before completing the application.

1. This application is to be used only by Department of Veterans Affairs (VA) employees who are already enrolled in or who have been accepted to accredited programs to receive education or training in health care occupations for which recruitment or retention is difficult.
2. To be considered for the EISP, applicants will complete Sections 1, 2 and 3 of the application, and forward it to the EISP Program Coordinator.
3. After reviewing and validating the information, the EISP Program Coordinator will forward the application to the Selection Committee.
4. The Selection Committee will use this information for initial applicant screening, and to prepare the funding request for review by the facility Director or designee.
5. Following notification of the funding allocation by Health Care Staff Development and Retention Office (HCS德罗), the facility Director or designee will sign each approved application in Section 3, Authentication.
6. A copy of the authenticated application and the original contract, signed by the student will be forwarded to HCS德罗 for final acceptance and signature. Once the Director, HCS德罗 executes the contract, it will be returned to the local EISP Program Coordinator. The Program Coordinator will ensure that a copy of the contract is provided to the scholarship recipient, the original is placed in the Official Personnel Folder and that copies are placed in appropriate local files. ***NOTE: Any questions, may be referred to HCS德罗 at (504) 589-5267.***

PRIVACY ACT NOTICE

The VA is asking you to provide the information on this form under the authority of 38 U.S.C. 7601-7625 in order for VA to determine your eligibility to receive a scholarship award. VA may disclose the information that you put on the form as permitted by law. VA may make a "routine use" disclosure of the information for: civil or criminal law enforcement; congressional communications; the collection of money owed to the United States; litigation in which the United States is a party or has an interest; the administration of VA training and scholarship programs, including verification of your eligibility to participate; and personnel administration. You do not have to provide this information to VA, but if you do not, VA will be unable to process your request for a scholarship. If you give VA your social security number, VA will use it to obtain information relevant to determining whether to grant a scholarship, and to administer your scholarship, if awarded. It also may be used for other purposes authorized or required by law.

**EMPLOYEE INCENTIVE SCHOLARSHIP PROGRAM (EISP) APPLICATION**
For Employees Enrolled in or Formally Accepted to an Education or Training Program**NOTE: Print or type all entries in Sections 1 and 2.****Section 1 - General Identification Information and Educational History.**

1. Facility Name		2. Facility Number				
3. Last Name		4. First Name		5. Middle Initial		
6. Social Security Number		7. Home Phone (include area code)		8. Work Phone (include area code)		
9. VA Employment Status (Check one only)		<input type="checkbox"/> Full-Time <input type="checkbox"/> Part-Time	10. CODES	Occupational Series Code	Title Code	Assignment Code
11. Current Job Title						
12. Current Grade						
13. Name of Rating Official				14. Official's Work Phone (include area code)		
15. Highest Degree Obtained (Check only highest completed) <input type="checkbox"/> Associate <input type="checkbox"/> Baccalaureate <input type="checkbox"/> Master's <input type="checkbox"/> Other (Specify)						
16. Total Number of Semester Hours Accumulated to Date: (Note: to convert Quarter Hours to Semester Hours, multiply the number of Quarter Hours by two-thirds)						

Section 2 - Employee Incentive Scholarship Program Enrollment Information.

17. Degree Sought via the EISP (Check one only) <input type="checkbox"/> Associate <input type="checkbox"/> Baccalaureate <input type="checkbox"/> Master's <input type="checkbox"/> Other (Specify)			
18. Program Start Date (MM/DD/YYYY)		19. Estimated Program Completion Date (MM/DD/YYYY)	
20. Type Program (Check one only) <input type="checkbox"/> A. Traditional programs consisting of curricula offered in a campus setting. <input type="checkbox"/> B. Non-Traditional programs consisting of curricula offered in off-campus settings (e.g., distance learning via the Internet).			
21. Program Description			
22. Name, Address, City, State and Zip Code of Educational Institution(s) where accepted or enrolled. Attach a copy of your Letter of Acceptance, or a copy of an official transcript.			
22a. Educational Institution Name		22b. Address (City, State, Zip)	
23. Complete the following if you are enrolled in or have been accepted to an education program that is supported by your VISN			
23a. VISN/STN Number	23b. Course Name (or other Identification)	23c. Start Date (MM/DD/YYYY)	23d. End Date (MM/DD/YYYY)

24. Total Number of Semester Hours Required to Complete Program. (Note: To convert Quarter Hours to Semester Hours, multiply the number of Quarter Hours by two-thirds)	25. Attendance Schedule (Check one only) <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> Full-Time <input type="checkbox"/> 3/4 time <input type="checkbox"/> 2/3 time </div> <div> <input type="checkbox"/> 1/2 time <input type="checkbox"/> 1/3 time <input type="checkbox"/> 1/4 time </div> <div> <input type="checkbox"/> Other (Specify) </div> </div>
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26. Estimated Total Program Tuition Costs by Type of Educational Institution		
26a — Type of Educational Institution	26b - Estimated Tuition Costs	26c - Total Semester Hours Required
Traditional		
Non-Traditional		
TOTAL OF COLUMNS 26b AND 26c		

27. Estimated Total Other Reimbursable Program Costs.	(Total all non-tuition allowable expenses)
28. Estimated Total Program Costs	= (Total of 26b plus Item 27 Total)
29. Average Cost per Semester Hour	= (Total in Item 28 divided by total 26c)

30. Estimated Program Fiscal Year (FY) Contracted Educational Costs (Note: FY total includes all tuition and other allowable expenses)						
Type of Educational Institution	FY	FY	FY	FY	FY	FY
Traditional						
Non-Traditional						
FY COLUMN TOTALS:						

31. Estimated Total Program Costs (Note: Total must equal Item 28, Total Program Costs)	= (sum of all Item 30 FY Column Totals)
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32. Do you have a Mentor? <input type="checkbox"/> YES <input type="checkbox"/> NO (If No, go to Item 33)	32a. Name of Mentor	32b. Title of Mentor
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33. Working Condition Flexibility	33a. Will special working condition arrangements be required to support your EISP attendance requirements? <input type="checkbox"/> YES <input type="checkbox"/> NO
	33b. If the answer to 32a is Yes, briefly describe the arrangements required.
	33c. If arrangements are required, have they been implemented yet? (Check one only) <input type="checkbox"/> YES <input type="checkbox"/> NO

SECTION 3 - AUTHENTICATION (When completed, forward copy to HCSDRO.)

CONSENT: I authorize the educational institution in which I am, or will be, enrolled to release to VA information regarding my enrollment status and academic standing, including grade point average, both now and while I am participating in the VA Employee Incentive Scholarship Program. I understand that this authorization is voluntary, and that I may revoke this consent at any time. However, I further understand that if I voluntarily revoke this authorization after the award of the scholarship, my scholarship award will be terminated and I will be liable for the damages in accordance with provisions of Section 7675, Title 38, United States Code.

Signature of Employee	Date
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I hereby certify that I have reviewed this application and recommend the applicant named above for participation in the Employee Incentive Scholarship Program.	
Signature of Director or designee	Date

**EMPLOYEE INCENTIVE SCHOLARSHIP PROGRAM (EISP)
FUNDING REQUEST INSTRUCTIONS**

1. Purpose. The funding request provides the facility Directors' annual EISP financial projections to the Health Care Staff Development and Retention Office (HCSDRO/10A2D) for review and determination of EISP funding allocations.

2. The Funding Request Process. Completing the funding request involves five steps. They are:

a. Department of Veterans Affairs (VA) employees complete Sections 1 and 2 of VA Form 10-0003K, Application for Employees Enrolled in or Formally Accepted to an Education or Training Program (see App. B) and forward it to the EISP Program Coordinator.

b. After screening the submitted applications, the Program Coordinator will complete VA Form 10-0003K-1, Employee Incentive Scholarship Program (EISP) Funding Request (see App. D), and forward it and the applications to the Selection Committee.

c. Based on their review of the applications, the Selection Committee will recommend modifications to the funding request (see App. D, VA Form 10-0003K-1) as necessary.

d. The Program Coordinator will modify the funding request (see App. D, VA Form 10-0003K-1) based on Selection Committee recommendations and forward it to the facility Director for approval.

e. The facility Director will forward the completed funding request (see App. D, VA Form 10-0003K-1) to HCSDRO. The funding request is submitted annually, not later than April 30th.

3. Completing VA Form 10-0003K-1, (see App. D, Employee Incentive Scholarship Program (EISP) Funding Request). Appendix D will be provided to each VA Facility in electronic format via E-mail. The Program Coordinator is responsible for completing all of the information on the form. Information to be completed by section includes:

a. **Section I – Facility Identifying Information.** Enter the Station Name; the Station three-digit number; the name and title of the station point of contact (POC), typically the EISP Program Coordinator; and the POC's phone number (including area code) in the appropriate cells.

b. **Section II – Total Number of Employees in Facility.** Enter the total number of full-time and part-time employees assigned to the facility.

c. **Section III – EISP Funding Request for Fiscal Year.** Enter the fiscal year in which request is submitted. Each fiscal year HCSDRO will E-mail each EISP Program Coordinator an updated version of the electronically formatted EISP Funding Request form. Complete Section III by entering one row of information for each applicant for whom funding is requested. For each applicant, enter the information in each column as follows:

Column 1 – Station Priority. Enter the local Selection Committee's priority for this applicant (i.e., 1 for the applicant ranked as most important to meet local requirements, 2 for the second-ranked applicant, etc.).

Column 2 – Last Name, First Name, MI. Enter the applicant's Last Name, First Name, and MI (e.g., Jones, Larry, K.).

Column 2A – Current Occupation. Enter the applicant's current occupation.

Column 3 – Degree Sought. Enter the type of degree the applicant intends to complete. Abbreviate where possible (i.e., Bachelor of Science (BS), Master of Science (MS), Doctor of Philosophy (PhD), etc.).

Column 4 – Degree Description. Describe the nature of the Degree Sought (Column 3) by providing more detailed information about the occupation, discipline, specialty or area of concentration that the education will prepare the employee to pursue. For example, an employee may seek a BS or MS degree in preparation for a position as a physician assistant. In this case, physician assistant should be entered in Column 4.

Column 5 – Estimated Total Education Costs. **Do not enter data in this column.** Either <Tab> or use the mouse or directional arrows to move to Column 6. This column is automatically be filled by a macro that totals the amounts entered in Columns 6 through 9.

Column 6 – Estimated Total Sept. 2000 – Aug. 2001. Enter the total estimated education expense for this applicant for the September 2000 through August 2001 school year.

Column 7 – Estimated Total Sept. 2001 – Aug. 2002. Enter the total estimated education expense for this applicant for the September 2001 through August 2002 school year.

Column 8 – Estimated Total Sept. 2002 – Aug. 2003. Enter the total estimated education expense for this applicant for the September 2002 through August 2003 school year.

Column 9 – Estimated Total Sept. 2003 – Aug. 2004. Enter the total estimated education expense for this applicant for the September 2003 through August 2004 school year.

Column 10 – Justification for Award. Local and national staffing issues must be considered in making effective EISP funding decisions. In Column 10, enter a statement to justify awarding an EISP scholarship to each applicant listed in Column 2. Examples of factors that need to be considered in justifying a scholarship award are listed in paragraph 5d of this handbook. Though the electronic format for completing this form accommodates lengthy justifications, they may be brief insofar as they are adequate. Each facility is to maintain detailed documentation to substantiate any statements made in Column 10. HCS DRO may request separate, detailed documentation to resolve concerns affecting decisions on requests for EISP funding.

May 6, 2002

VH AHANDBOOK 1020.1
APPENDIX D[illegible]

VA Form 10-0003K-1
December 1999

**VA FORM 10-0003K-2
EMPLOYEE INCENTIVE SCHOLARSHIP PROGRAM (EISP) CONTRACT**

An embedded copy of Department of Veterans Affairs (VA) Form 10-0003K-2, follows. This form can also be found on the Veterans Health Administration (VHA) Forms Intranet at <http://vaww.va.gov/forms/medical/searchlist.asp>. This is to be used for local reproduction. Since this is a low use form, it will not be stocked by the Forms and Publications Depot.

One needs to use Adobe Acrobat 5.5 or later to view this form. To print this form, the printer must be set to “print as image” and “fit to page.”



JetForm_10-0003K-2.pdf



EMPLOYEE INCENTIVE SCHOLARSHIP PROGRAM (EISP) CONTRACT

INSTRUCTIONS: Do not make any alterations to this document. Only use ballpoint pen to complete.

SECTION A - The Department of Veterans Affairs (VA) Employee Incentive Scholarship Program (EISP) was established by Title VIII of Public Law 105-368 (the "Department of Veterans Affairs Health Care Personnel Incentive Act of 1998") and codified at sections 7671-7676 of Title 38, United States Code.

SECTION B - Obligations of the Under Secretary for Health. Subject to availability of funds appropriated by the Congress of the United States for the Employee Incentive Scholarship Program, the Under Secretary for Health agrees to:

1. Provide the undersigned employee with an EISP award consisting of the payment of tuition and reasonable educational expenses as authorized by 38 U.S.C. §§7671-7675.
2. Ensure that each employee selected to participate in the EISP is an eligible Department employee who, as of the date on which the employee submits an application for participation in the EISP, has been continuously employed by the Department for not less than one year.
3. Appoint the employee to a position providing health services in accordance with Section C9 of this contract. This will be accomplished as soon as possible after the employee completes the EISP sponsored education or training and meets all the applicable qualification requirements for appointment to the position.

SECTION C - Obligation of the Employee. In consideration of payments under the EISP, the employee agrees to:

1. Accept the EISP award provided by the Under Secretary for Health under Section B1 of this contract.
2. Pursue education or training in a field leading to appointment or retention in a Title 38 or Hybrid-Title 38 position listed in 38 U.S.C., Section 7401 in a health care discipline for which recruitment or retention of qualified personnel is difficult. This education or training must be approved by the Under Secretary for Health for participation in the EISP.
3. Maintain full-time or part-time enrollment until completion of the course of study for which the scholarship award is provided.
4. Maintain an acceptable level of academic standing as determined by the educational institution, while enrolled in the course of study for which the scholarship award is provided.
5. Complete all coursework within a maximum of three years after enrollment for full-time students, and a maximum of six years after enrollment for part-time students.

6. Notify the Program Coordinator in writing, of any of the following changes within 10 working days: change in name, address, telephone number, enrollment status, program of study, or academic standing.

7. Ensure that the EISP program officials have access to educational or training institution official transcripts and other information and documents required to assess the academic standing, status and progress of the scholarship recipient.

8. Serve a period of obligated service. All full-time and part-time employees who enroll in the EISP must serve a period of obligated service as full-time employees in the Veterans Health Administration (VHA). A full-time student will incur a service obligation of three years, regardless of the amount of education received under the EISP. The obligated service for a part-time student is pro-rated. It is based on the proportion of the number of credit hours carried by the student in any school year to the number of credit hours required to be carried by a full-time student in the approved course of academic training. However, in no event will the requirement for obligated service under the EISP be less than one year or greater than three years.

9. Serve the period of obligated service by providing health services in full-time clinical practice of the profession for which trained or in another health-care position in an assignment and location in VHA as determined by the Under Secretary for Health. The beginning date for the period of obligated service varies depending on the type of education or training received by the EISP participant. This is further explained in VHA Handbook 1020.1, Employee Incentive Scholarship Program.

The period of obligated service for this contract is

SECTION D - Breach of EISP Award. If a participant:

1. Fails to accept payment or instructs the educational institution to which scholarship payments are to be made not to accept payments under this contract, the participant (other than a participant under paragraph 2 of this section) shall, in addition to the service or other obligations incurred under this contract, pay to the United States the sum of \$1,500 as liquidated damages. Payment of this amount must be made within one year of the date on which the participant fails to accept payment of the EISP award or instructs the school not to accept payment.
2. Fails to maintain an acceptable level of academic standing in the course of study for which the award is provided; is dismissed from the educational institution for disciplinary reasons; voluntarily terminates the course of study or program for which the award was granted; fails to become licensed to practice medicine, osteopathy, dentistry, podiatry

EMPLOYEE INCENTIVE SCHOLARSHIP PROGRAM (EISP) CONTRACT, CONTINUED

or optometry in a State, Territory, Commonwealth of the United States (i.e., Puerto Rico) or in the District of Columbia, or fails to meet any applicable licensure requirement in the case of any other health-care personnel who provide either direct patient-care services or services incident to direct patient-care services, during a period of time determined under regulations prescribed by the Secretary; or, fails to maintain employment, while enrolled as a part-time student in the course of training being pursued under the EISP as a Department employee; the participant shall, instead of performing the service obligation incurred under this contract, repay to the United States all funds paid to the participant under this contract. Payment of this amount must be made within one year from the date academic training terminates.

3. Breaches the agreement by failing for any reason to complete such participant's period of obligated service, the United States shall be entitled to recover from the participant an amount determined in accordance with the following formula.

$A = 3\Phi (t-s / (t))$ in which

"A" is the amount the United States is entitled to recover;

" Φ " is the sum of :

(a.) The amounts paid under this subchapter, to or on behalf of the participant; and

(b.) The interest on such amounts which would be payable if at the time the amounts were paid they were loans bearing interest at the maximum legal prevailing rate, as determined by the Treasurer of the United States.

"t" is the total number of months in the participant's period of obligated service, including any additional period of obligated service in accordance with Section 7673(c)(2), Title 38, United States Code.

"s" is the number of months of such period served by the participant in accordance with Section 7673, Title 38, United States Code.

The amount the United States is entitled to recover shall be paid within one year of the date the Under Secretary for Health determines that the participant has failed to begin or complete the period of obligated service. The amount the United States is entitled to recover may be offset against any salary, wages, accrued leave or retirement annuity which the participant is owed at the time the participant was terminated or failed to complete the required obligated service.

SECTION E - Cancellation, Suspension, and Waiver of Obligation

1. Any service or payment obligation incurred under this contract will be cancelled upon the death of the participant .

2. The Under Secretary for Health may waive or suspend the participant's service or payment obligation incurred under this contract if:

a. Compliance by the participant with the terms and conditions of this contract is impossible due to circumstances beyond the control of the participant, or

b. In cases not related to paragraph 2.a., when considered in the best interest of the Department of Veterans Affairs. Such decisions will be made by the Under Secretary for Health on an individual basis.

SECTION F - Consent for Release of Information. The undersigned employee consents to allow the educational institution in which he or she is enrolled to release to the Program Coordinator information regarding enrollment status and academic standing including grade point average at the time of application and, if selected, during the period of award participation. The applicant understands that this authorization is voluntary and the applicant may revoke the consent at any time. However, the applicant further understands that if this authorization is voluntarily revoked after the award of the scholarship, the scholarship award will be terminated and the applicant will be liable for damages in accordance with provisions of Section 7675, Title 38, United States Code.

SECTION G - General Provisions. The Under Secretary for Health or authorized representative must accept this contract before it becomes effective. The regulations issued by the Under Secretary for Health to implement the EISP are incorporated into and made a part of this contract. **I agree to comply with these regulations.**

APPLICANT'S NAME

APPLICANT'S SIGNATURE

DATE

(PLEASE SIGN, DATE AND RETURN)

SIGNATURE OF UNDER SECRETARY FOR HEALTH, VETERANS HEALTH ADMINISTRATION, OR AUTHORIZED REPRESENTATIVE

DATE

***The Program Coordinator will
return a completed copy to you.***

ANNUAL EMPLOYEE INCENTIVE SCHOLARSHIP PROGRAM REPORTING

The following describes the information that will be compiled by the Health Care Staff Development and Retention Office (HCSDRO) for the Employee Incentive Scholarship Program (EISP). This information will be reported annually by November 30th for the previous fiscal year to the Under Secretary for Health.

Section 1. Summary Degree Information by Fiscal Year. This section reports on employees grouped by academic degree level pursued as percentages of the total EISP. Calculations include annual numerical and percent changes by level of degree pursued. Information is aggregated from actual enrollment information submitted to HCSDRO.

Section 2. Funding Summary (Actual and Projected). This section reports the amount of funding used, allocated, and projected by fiscal year for 5 fiscal years (current fiscal year, 2 prior fiscal years, and 2 future fiscal years.) Calculations include annual funding, allocation, and projection totals with numerical and percent changes, and variances. Data is aggregated from the HCSDRO participant files and the annual EISP Funding Requests (see App. D).

Section 3. Educational Assistance Program Systems Reporting. This section reports information on the types of education and training EISP participants are enrolled in, delineated by owner categories of traditional or non-traditional. Information will include educational institution associations, and numbers and types of participants. Report structure and content may vary as responses are accumulated. Data is aggregated from the HCSDRO participant files.

VA FORM 10-0003K-3
EMPLOYEE INCENTIVE SCHOLARSHIP PROGRAM (EISP)
FACILITY SEMI-ANNUAL ENROLLEES PROGRESS REVIEW WORKSHEET

An embedded copy of Department of Veterans Affairs (VA) Form 10-0003K-3, follows. This form can also be found on the Veterans Health Administration (VHA) Forms Intranet at <http://www.va.gov/forms/medical/searchlist.asp>. This is to be used for local reproduction. Since this is a low use form, it will not be stocked by the Forms and Publications Depot.

One needs to use Adobe Acrobat 5.5 or later to view this form. To print this form, the printer must be set to “print as image” and “fit to page.”



10-0003K-3.pdf

EMPLOYEE INCENTIVE SCHOLARSHIP PROGRAM (EISP) FACILITY SEMI-ANNUAL ENROLLEE PROGRESS REVIEW WORKSHEET

DIRECTIONS: Complete this worksheet in its entirety and forward to the Health Care Staff Development and Retention Office (HCSDRO/10A2D) within 30 days of receipt from HCSDRO. The entire file should be forwarded electronically via E-mail to 10a2gst@mail.va.gov. If you are unable to E-mail the completed files, fax to (504) 589-5914. For questions or comments, contact HCSDRO at (504) 589-5267.

SECTION 1 - FACILITY IDENTIFYING INFORMATION FROM HCSDRO RECORDS.

NOTE: If any information has changed in this section, contact HCSDRO immediately.

STATION NAME

STATION POINT OF CONTACT (POC)

TITLE OF POC

STATION NUMBER

TELEPHONE NUMBER *(Include Area Code)*

SECTION 2 - EISP ENROLLEE PROGRESS

Columns 1, 2, 5 and 7 display information previously reported to HCSDRO from your facility.

NOTE: If the information in these columns is incorrect, contact HCSDRO immediately.

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
LAST NAME	SSN	Semester or Other Attendance Dates (Enter as MM/DD/YYYY) START DATE	END DATE	CREDIT HOURS AUTHORIZED	CREDIT HOURS COMPLETED	TOTAL FUNDING AUTHORIZED TO DATE	TOTAL FUNDING OBLIGATED TO DATE